GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:7456
ANSWERED ON:15.05.2002
ESTIMATION OF POPULATION LIVING BELOW POVERTY LINE
PUTTASWAMY GOWDA

Will the Minister of PLANNING be pleased to state:

(a) whether the Union Government have devised any new formula for estimation of the population living below the poverty line in both urban and rural areas;

(b) if so, the details thereof, state-wise;

(c) whether it is a fact that the Union Government, on request from some state Government have revised upwards the percentage of population below the poverty line;

(d) if so, the details thereof in respect of urban and rural areas, state-wise;

(e) whether this revision is only for the purpose of allocation of foodgrains under the Targetted Public Distribution System and not for allocation of funds under other anti-poverty alleviation programmes;

(f) if so, the reasons therefor;

(g) whether some states have suffered seriously due to the acceptance of Lakdawala Expert Committee recommendations who have some social security schemes for the poor and have demand return of pre-Lakdawala Committee status;

(h) if so, the details of such states who have suffered seriously due to acceptance of Lakdawala Expert Committee recommendations; and

(i) the steps taken by the Central Government in this regard?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINISTRY O PERSONNEL, PUBLIC GRIEVANCES & PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING & MINISTE STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SHRIMATI VASUNDHARA RAJE)

(a) & (b): No, Sir. The poverty line is expressed in terms of per capita consumption expenditure needed to attain a minimum amount of calorie intake out of food consumption along with a minimum amount of non-food expenditure in order to meet the requirements of clothing, shelter, transport etc. These poverty lines were originally recommended by a Task Force on Minimum Needs and Effective Consumption Demand in 1979. Then, in 1993, the Expert Group on Estimation of Proportion and Number of Poor recommended disaggregation of these national poverty lines into state specific poverty lines using state specific price indices and inter-state price differential. The full Planning Commission under the Chairmanship of Prime Minister accepted the recommendations of the Expert Group with minor modifications in March, 1997. Since then the estimates of poverty at national and state level are being made using the expert Group methodology. The state wise estimates of poverty lines and poverty ratios for the year 1999-2000 are given in Annexures I & II.

(c) to (f): Yes, Sir. The Planning Commission has received representation from the State Governments of Andhra Pradesh, Karnataka and Orissa in the matter of choice of the methodology of estimation of poverty. The State Government of Andhra Pradesh and Karnataka urged that in estimating poverty the impact of the price depressing effect of the food subsidy scheme, funded from the State Exchequer, be eliminated. The Government of Andhra Pradesh at a later stage urged that estimates be made on the earlier methodology of poverty estimation, known as the Task Force method. The Government of Orissa has urged that the national level poverty line be adopted for estimating poverty in the State.

After carefully considering the representations, the Planning Commission has decided to continue with the Expert Group methodology (Lakdawala formula). However, by eliminating the impact of the state-sponsored food subsidy scheme, the Planning Commission has raised the poverty ratio of Andhra Pradesh from 22.19% to 25.68% for exclusive use in the matter of allocation of foodgrain under Targeted Public Distribution Scheme (TPDS).

(g) to (i): The State-wise allocation of Central funds under major rural poverty alleviation programmes is made on the criteria based on the proportion of rural poor in the State/UT to the total rural poor in the country or such other criteria as decided by the Central Government from time to time. Until 1997-98 the funds under major rural poverty alleviation programmes were allocated to States/UTs

on the basis of `Task Force estimates of poverty for 1987-88`. As the data for 1993-94 became available, estimates of poverty based on these data were calculated using both the Task Force methodology and the Expert Group methodology. A comparison of State-wise share of poor as per Task Force for 1993-94 and as per Expert Group for 1993-94 revealed that some States were adversely affected in their respective share of allocations under various poverty alleviation programmes by the adoption of Expert Group estimates. Some of the States which had been adversely affected represented to the Union Government on this issue. Consequently, an exercise was undertaken to work out an adjustment formula to contain the losses under the Expert Group estimates to not more than 15 percent of their expected entitlement based on the Task Force methodology for 1993-94. Since 1998-99 the allocation is being made on the basis of these 15 percent Adjusted Shares as approved by the full Planning Commission underthe Chairmanship of the Prime Minister.

ANNEXURE-I to parts(a) & (b) of unstarred question No.7456 of Lok Sabha for answer on 15.5.2002

ANNEXURE-I

State-Specific Poverty Lines in 1999-2000 (Rs. per capita per month)

No.	State	Rural	Urban
1	Andhra Pr	262.94	457.40
2	Assam	365.43	343.99
3	Bihar	333.07	379.78
4	Gujarat	318.94	474.41
5	Haryana	362.81	420.20
6	Himachal Pr.	367.45	420.20
7	Karnataka	309.59	511.44
8	Kerala	374.79	477.06
9	Madhya Pradesh	311.34	481.65
10	Maharashtra	318.63	539.71
11	Orissa	323.92	473.12
12	Punjab	362.68	388.15
13	Rajasthan	344.03	465.92
14	Tamil Nadu	307.64	475.60
15	Uttar Pradesh	336.88	416.29
16	West Bengal	350.17	409.22
17	Delhi	362.68	505.45
	All India#	327.56	454.11

The poverty line(implicit) at all-India level is worked out from the expenditure class-wise distribution of persons and the poverty ratio at all-India level. The poverty ratio at all-India level is obtained as the weighted average of the state-wise poverty ratio.

ANNEXURE-II to parts (a) & (b) of unstarred question No.7456 of Lok Sabha for answer on 15.5.2002

ANNEXURE-II

Number and Percentage of Population Below Poverty Line by States - 1999-2000

		Rural		Urban		Combined	
No.	States/U.T.`s	No. of Persons (Lakhs)	% of Per-sons	No. of Persons (Lakhs)	% of Per-sons	No. of Persons (Lakhs)	% of Persons
1.	Andhra Pradesh	58.13	11.05	60.88	26.63	119.01	15.77
2.	Arunachal Pradesh	3.80	40.04	0.18	7.47	3.98	33.47
3.	Assam	92.17	40.04	2.38	7.47	94.55	36.09
4.	Bihar	376.51	44.30	49.13	32.91	425.64	42.60
5.	Goa	0.11	1.35	0.59	7.52	0.70	4.40
6.	Gujarat	39.80	13.17	28.09	15.59	67.89	14.07

7 Haryana 11.94 8.27 5.39 9.99 17.34 8.74

8. Himachal Pradesh 4.84 7.94 0.29 4.63 5.12 7.63

9. Jammu & Kashmir 2.97 3.97 0.49 1.98 3.46 3.48
10. Karnataka 59.91 17.38 44.49 25.25 104.40 20.04
11. Kerala 20.97 9.38 20.07 20.27 41.04 12.72
12. Madhya Pradesh 217.32 37.06 81.22 38.44 298.54 37.43
13. Maharashtra 125.12 23.72 102.87 26.81 227.99 25.02
14. Manipur 6.53 40.04 0.66 7.47 7.19 28.54
15. Meghalaya 7.89 40.04 0.34 7.47 8.23 33.87
16. Mizoram 1.40 40.04 0.45 7.47 1.85 19.47
17. Nagaland 5.21 40.04 0.28 7.47 5.49 32.67
18. Orissa 143.69 48.01 25.40 42.83 169.09 47.15
19. Punjab 10.20 6.35 4.29 5.75 14.49 6.16
20. Rajasthan 55.06 13.74 26.78 19.85 81.83 15.28
21. Sikkim 2.00 40.04 0.04 7.47 2.05 36.55
22. Tamil Nadu 80.51 20.55 49.97 22.11 130.48 21.12
23. Tripura 12.53 40.04 0.49 7.47 13.02 34.44
24. Uttar Pradesh 412.01 31.22 117.88 30.89 529.89 31.15
25. West Bengal 180.11 31.85 33.38 14.86 213.49 27.02
26. A & N Island 0.58 20.55 0.24 22.11 0.82 20.99
27. Chandigarh 0.06 5.75 0.45 5.75 0.51 5.75
28. Dadra & Nagar Haveli 0.30 17.57 0.03 13.52 0.33 17.14
29. Daman & Diu 0.01 1.35 0.05 7.52 0.06 4.44
30. Delhi 0.07 0.40 11.42 9.42 11.49 8.23
31. Lakshadweep 0.03 9.38 0.08 20.27 0.11 15.60
32. Pondicherry 0.64 20.55 1.77 22.11 2.41 21.67

All India 1932.43 27.09 670.07 23.62 2602.50 26.10

Notes:

1. Poverty Ratio of Assam is used for Sikkim, Arunachal Pradesh,Meghalaya, Mizoram,Manipur,Nagaland and Tripura.

2. Poverty Line of Maharashtra and expenditure distribution of Goa is used to estimate poverty ratio of Goa.

3. Poverty Line of Himachal Pradesh and expenditure distribution of Jammu & Kashmir is used to estimate poverty ratio of Jammu & Kashmir.

4. Poverty Ratio of Tamil Nadu is used for Pondicherry and A & N Island.

5. Urban Poverty Ratio of Punjab used for both rural and urban poverty of Chandigarh.
6. Poverty Line of Maharashtra and expenditure distribution of Dadra & Nagar Haveli is used to estimate poverty ratio of Dadra & Nagar Haveli.

7 Poverty Ratio of Goa is used for Daman & Diu.

8. Poverty Ratio of Kerala is used for Lakshadweep.

9. Urban Poverty Ratio of Rajasthan may be treated as tentative.